

BALANCE SHEET

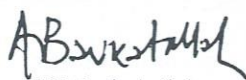
As at December 31, 1997

Tk in thousands

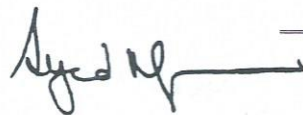
	Notes	Year Ended Dec. 31, 97	Year Ended Dec. 31, 96
SOURCES OF FUNDS:			
I Shareholders Funds:			
Issued, subscribed and paid up			
750,000 ordinary shares @ Tk 100 each	2	75,000	75,000
Share Premium	3	68,805	68,805
Tax Holiday Reserve	4	6,148	2,819
Retained Earnings	.	<u>5,479</u>	<u>11,121</u>
		155,432	157,745
II Loan Funds:			
Term Loan (Secured)	5	<u>170,000</u>	<u>68,743</u>
		<u>325,432</u>	<u>226,488</u>
APPLICATIONS OF FUNDS:			
I Fixed Assets (Net Block) :			
	6		
i) Gross Block		280,740	277,680
ii) Less : Depreciation		<u>100,965</u>	<u>75,517</u>
		179,775	202,163
II Current Assets			
Inventories	7	295,860	263,591
Trade debtors	8	88,578	70,509
Advances, deposits & prepayments	9	28,412	17,581
Cash & Bank balances	10	<u>5,516</u>	<u>3,521</u>
		418,366	355,202
III Current Liabilities			
Trade creditors	11	36,672	49,624
Sundry creditors	12	4,811	19,209
Provision for income-tax		6,292	5,160
Proposed dividend		18,750	00
Working capital loan	13	<u>206,184</u>	<u>256,884</u>
		272,709	330,877
V Net Current Assets (II-III)			
		<u>145,657</u>	<u>24,325</u>
VI Net Assets (I + V)			
		<u>325,432</u>	<u>226,488</u>



Md. Rahmatullah
Managing Director



AKM Barkatullah
Director

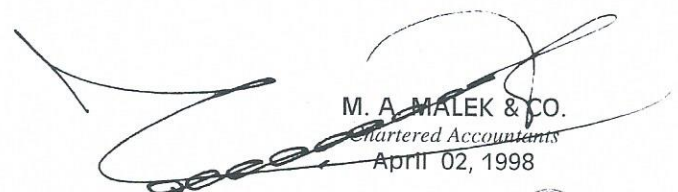


Syed Nasim Manzur
Director



S S Chakraborty
Company Secretary

This is the Balance Sheet referred to in our report of same date.
The annexed notes form part of these accounts



M. A. MALEK & CO.
Chartered Accountants
April 02, 1998

PROFIT AND LOSS ACCOUNT

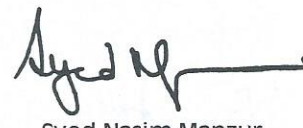
For the year ended December 31, 1997

Tk in thousands

	Notes	Year Ended Dec. 31, 97			Year Ended	
		Unit I	Unit II	Total	Dec. 31, 96	
I	Turnover	14	165,555	211,287	376,842	315,457
II	Cost of Sales					
	Cost of Goods Sold	15	122,510	164,804	287,314	252,756
	Freight & Forwarding	16	6,753	9,925	16,678	13,941
			129,263	174,729	303,992	266,697
III	Gross Profit (I - II)		36,292	36,558	72,850	48,760
IV	Duty Draw Back	17	00	00	00	3,880
V	Trading Profit (III + IV)		36,292	36,558	72,850	52,640
VI	Fixed Expenses					
	Marketing & Administrative	18	5,883	4,698	10,581	14,832
	Bank Interest & Charges	19	22,829	19,264	42,093	32,220
	Directors' Remuneration		474	633	1,107	1,107
	Legal & Audit fees	20	310	310	620	717
			29,496	24,905	54,401	48,876
VII	Profit before PF&WF (V - VI)		6,796	11,653	18,449	3,764
VIII	Contribution to PF&WF		324	555	879	180
IX	Pre-tax Profit		6,472	11,098	17,570	3,584
X	Provision for tax	21	1,133	00	1,133	87
XI	Net profit after tax		5,339	11,098	16,437	3,497
XII	Appropriations					
	Previous Year's Retained Earnings				11,121	8,549
	Tax Holiday Reserve				(3,329)	(925)
	Dividend	22			(18,750)	00
					(10,958)	7,624
XIII	Retained earnings (XI + XII)				5,479	11,121

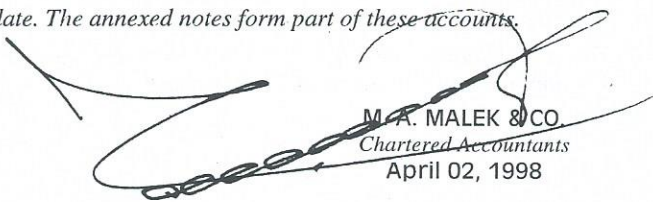

Md. Rahmatullah
Managing Director


AKM Barkatullah
Director


Syed Nasim Manzur
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Company Secretary

This is the Profit & Loss Account referred to in our report of same date. The annexed notes form part of these accounts.


M.A. MALEK & CO
Chartered Accountants
April 02, 1998

CASHFLOW STATEMENT

For the year ended December 31, 1997

Figures in Taka

	Year Ended Dec. 31, 97	Year Ended Dec. 31, 96
CASH FLOW FROM OPERATING ACTIVITIES :		
Collections from turnover/bills receivable and other income	358,773,326	322,367,355
Payments for purchase of leather, accessories, payment of creditors and other expenses	(403,754,074)	(293,714,902)
Income tax paid and/or deducted	(521,191)	(836,490)
CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets	(3,059,996)	(5,929,863)
CASH FLOW FROM FINANCING ACTIVITIES :		
Loans received	101,257,147	2,409,000
Loans repaid	(50,700,146)	(2,461,065)
Dividend paid	00	(20,066,364)
 Net cash inflow/(outflow) for the period	 1,995,066	 1,767,671
 Cash & Bank balance at opening	 3,521,136	 1,753,465
Cash & Bank balances at closing	5,516,202	3,521,136